

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
95th General Assembly
Regular Session, 2025

A Bill

HOUSE BILL 1989

By: Representative Cavanaugh

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING USED MOTOR VEHICLES BUYERS PROTECTION; TO AMEND THE LAW CONCERNING THE APPLICATION PROCESS FOR A WHOLESALE USED MOTOR VEHICLE DEALER'S LICENSE OR RETAIL USED MOTOR VEHICLE DEALER'S LICENSE; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAW CONCERNING USED MOTOR VEHICLES BUYERS PROTECTION; AND TO AMEND THE LAW CONCERNING THE USED MOTOR VEHICLE DEALER'S LICENSE APPLICATION PROCESS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 23-112-601 is amended to read as follows:

23-112-601. Necessity for regulation – Legislative findings –
Legislative declaration.

(a) The General Assembly declares that the public interest is affected by the sale and distribution of used motor vehicles, and it is recognized that a significant factor of the inducement in making a sale of a used motor vehicle to a member of the general public is the trust and confidence of the purchaser in the retail used motor vehicle dealer or wholesale used motor vehicle dealer from whom the purchase is made, with the expectancy that the dealer will remain in business to stand behind and provide service for the motor vehicle purchased.



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(b) It is therefore found to be necessary to license retail used motor vehicle dealers and wholesale used motor vehicle dealers and to prohibit certain acts and set penalties for violations and perpetration of certain acts by retail used motor vehicle dealers and wholesale used motor vehicle dealers who are not licensed as new motor vehicle dealers selling used cars incidental to their new motor vehicle dealership operations, salespersons, agents, representatives, and employees of retail used motor vehicle dealers and wholesale used motor vehicle dealers in order to:

- (1) Prevent fraud, improper impositions, and other abuses upon the citizens of this state;
- (2) Protect and preserve the investments and properties of the citizens of this state; and
- (3) Foster and keep alive vigorous and healthy competition by prohibiting unfair practices by which fair and honest competition is destroyed or prevented.

SECTION 2. Arkansas Code § 23-112-602(1)-(4), concerning the definitions related to used motor vehicle buyers protection, are amended to read as follows:

(1)(A) "Auto auction" means any person who operates or provides a place of business or facilities for the wholesale exchange of motor vehicles by and between duly licensed motor vehicle dealers, or from retail used motor vehicle dealers and wholesale used motor vehicle dealers to individuals, or individuals to retail used motor vehicle dealers and wholesale used motor vehicle dealers, or any combination thereof, or any motor vehicle dealer licensed to sell used motor vehicles, selling used motor vehicles using an auction format or on consignment.

(B) "Auto auction" also applies to any person who provides the facilities for or is in the business of selling motor vehicles in an auction format;

(2) "Designee" means a person or entity that:

(A) Agrees to perform inspections of retail used motor vehicle dealers and wholesale used motor vehicle dealers under this subchapter on behalf of the ~~department~~ Division of Arkansas State Police; and

(B) The ~~department~~ division determines is appropriately suited for serving as a designee under this subchapter;

(3) “Drafter” means any person who obtains financing for the purchase and resale of vehicles of another person or a retail used motor vehicle dealer or wholesale used motor vehicle dealer through the use of the account of or based on the extension of credit by presenting at the time of purchase of the subject vehicles a documentary draft for purchase of the vehicle or who otherwise promises to pay through the accounts or credit of another person or a retail used motor vehicle dealer or wholesale used motor vehicle dealer;

(4) “Licensed location” means the address designated as the business address of the used motor vehicle dealer on his or her application for a retail used motor vehicle dealer’s license or a wholesale used motor vehicle dealer’s license;

SECTION 3. Arkansas Code § 23-112-602(7), concerning the definitions related to used motor vehicle buyers protection, is amended to read as follows:

(7) “Person” means and includes, individually and collectively, individuals, firms, partnerships, associations, corporations, trusts, or any other form of business, individual enterprise, company, or entity;

SECTION 4. Arkansas Code § 23-112-602(10)(A)(i), concerning the definitions related to used motor vehicle buyers protection, is amended to read as follows:

(10)(A)(i) “Used motor vehicle dealer”, ~~hereinafter referred to as~~ or “dealer”, means any person, retailer, wholesaler, or auto auction who, for a commission or with intent to make a profit or gain of money or other thing of value, sells, brokers, exchanges, rents, or leases with the option to purchase or own, or attempts to negotiate a sale or exchange of an interest in any used motor vehicle, or who is wholly or in part in the business of buying, selling, trading, or exchanging used motor vehicles, whether or not such motor vehicles are owned by the person.

SECTION 5. Arkansas Code § 23-112-602(11) and (12), concerning the definitions related to used motor vehicle buyers protection, are amended to read as follows:

(11) “Used motor vehicle salesperson”, hereinafter referred to

as "salesperson", is anyone who for compensation of any kind operates as a salesperson, broker, agent, or representative of a retail used motor vehicle dealer or wholesale used motor vehicle dealer, or any person who attempts to or in fact negotiates a sale of a vehicle owned partially or entirely by a retail used motor vehicle dealers or wholesale used motor vehicle dealer, or a person or drafter using the financial resources, line of credit, or floor plan of a retail used motor vehicle dealer or wholesale used motor vehicle dealer to purchase, sell, or exchange an interest in a used motor vehicle; and

(12)(A) "Wholesaler" or "wholesale used motor vehicle dealer" means any person, resident or nonresident, who, in whole or in part, primarily sells used motor vehicles to motor vehicle dealers.

(B) ~~Used~~ Retail used motor vehicle dealers who, incidental to their primary business, sell motor vehicles to other retail used motor vehicle dealers and wholesale used motor vehicle dealers are not considered wholesalers because of their incidental sales.

SECTION 6. Arkansas Code § 23-112-602, concerning the definitions related to used motor vehicle buyers protection, is amended to add additional subdivisions to read as follows:

(13) "Convicted" means that a person plead guilty or nolo contendere to or was found guilty of a criminal offense, including a conviction that has been sealed or expunged; and

(14) "Retail used motor vehicle dealer" means a person who sells used motor vehicles to the public.

SECTION 7. Arkansas Code § 23-112-603(a)(3) and (4), concerning the penalties for a violation of the law concerning used motor vehicle buyers protection, are amended to read as follows:

(3) A third or subsequent violation is a Class D felony, and the retail used motor vehicle dealer's or wholesale used motor vehicle dealer's license shall be suspended for three (3) years for each respective third or subsequent violation; and

(4)(A) In addition to or instead of the penalties listed under subdivisions (a)(1)-(3) of this section, the Director of the Division of Arkansas State Police may issue a fine in an amount not to exceed one

thousand dollars (\$1,000) for each violation of this subchapter.

(B) The fines collected under subdivision (a)(4)(A) of this section shall be remitted to the Division of Arkansas State Police and shall be deposited into the State Treasury to the credit of the Division of Arkansas State Police Fund.

SECTION 8. Arkansas Code § 23-112-603(b), concerning the penalties for a violation of the law concerning used motor vehicle buyers protection, is amended to read as follows:

(b) Any person found guilty of selling a used motor vehicle as a dealer or salesperson while his or her retail used motor vehicle dealer's or salesperson's license or wholesale used motor vehicle dealer's or salesperson's license is suspended or revoked shall be guilty of a Class C felony.

SECTION 9. Arkansas Code § 23-112-603(d), concerning the penalties for a violation of the law concerning used motor vehicle buyers protection, is amended to read as follows:

(d)(1) A retail used motor vehicle dealer or wholesale used motor vehicle dealer licensed under this subchapter shall maintain a licensed location.

(2) When a retail used motor vehicle dealer or wholesale used motor vehicle dealer changes or moves his or her licensed location, within fifteen (15) calendar days of the relocation, the retail used motor vehicle dealer or wholesale used motor vehicle dealer shall notify the division in writing of the dealership name, the previous location, and the new location.

(3)(A) If the division determines that the ~~used motor vehicle dealer's~~ business location of the retail used motor vehicle dealer or wholesale used motor vehicle dealer has moved and notification to the division has not been properly made, the division shall levy a fine equal to the amount of the license fee.

(B) The fine collected pursuant to subdivision (d)(3)(A) of this section shall be remitted to the division and shall be deposited into the State Treasury as special revenue to the credit of the division.

SECTION 10. Arkansas Code §§ 23-112-604 through 23-112-607 are amended

to read as follows:

23-112-604. Powers generally.

(a) The ~~Department~~ Division of Arkansas State Police may promulgate rules that are necessary to implement, enforce, and administer this subchapter.

(b) The ~~department~~ division may cancel a dealer's license if the retail used motor vehicle dealer or wholesale used motor vehicle dealer:

(1) Fails to keep and maintain the requirements ~~of § 23-112-607(a) and (c)~~ of this subchapter; or

(2) Pleads guilty or nolo contendere to or has been found guilty of a violation of § 23-112-605.

23-112-605. Violations.

It shall be a violation of this subchapter to knowingly or intentionally:

(1)(A) Sell a vehicle without a retail used motor vehicle dealer's license or wholesale used motor vehicle dealer's license.

(B) The sale of each vehicle shall constitute a separate offense;

(2) Commit a fraudulent act in selling, purchasing, or otherwise dealing in motor vehicles;

(3) Fail to maintain the conditions and requirements necessary to qualify for the issuance of a retail used motor vehicle dealer's license or wholesale used motor vehicle dealer's license;

(4) Sell, attempt to sell, or advertise for sale vehicles from a location other than that set forth on the retail used motor vehicle dealer's license or wholesale used motor vehicle dealer's license, except:

(A) As a participating dealer in a state trade association promotion or exhibit; or

(B) ~~With a special sale permit; or~~

~~(C) At an auto auction;~~

(5) Falsify, alter, or neglect to endorse or deliver a certificate of title to a transferee or lawful owner, or fail to properly designate a transferee on a document of assignment or certificate of title;

(6) Knowingly purchase, sell, or otherwise acquire or dispose of a stolen motor vehicle;

(7) Submit a false affidavit setting forth that a title has been lost or destroyed;

(8) Pass title or reassign title as a retail used motor vehicle dealer or wholesale used motor vehicle dealer without a retail used motor vehicle dealer's license or wholesale used motor vehicle dealer's license or when his or her retail used motor vehicle dealer's license or wholesale used motor vehicle dealer's license has been suspended;

(9) To represent oneself as a retail used motor vehicle dealer or wholesale used motor vehicle dealer or as a salesperson, either verbally or in any advertisement, when not licensed as such;

(10) Violate any provision or requirement in this subchapter; ~~or~~

(11) Knowingly assist an unlicensed retail used motor vehicle dealer or wholesale used motor vehicle dealer in the sale of a motor vehicle-; or

(12) Misuse a:

(A) Dealer's master plate or dealer's extra license plate under § 27-14-1704;

(B) Transporter plate under § 27-14-1806; or

(C) Wholesale used motor vehicle dealer master plate, wholesale used motor vehicle extra dealer plate, or wholesale used motor vehicle dealer transporter plate under § 23-112-623.

23-112-606. License required.

It shall be unlawful for any person to engage in business as a retail used motor vehicle dealer or wholesale used motor vehicle dealer or to sell a vehicle not his or her own without obtaining a retail used motor vehicle dealer's license or wholesale used motor vehicle dealer's license, except that a person defined as a salesperson in § 23-112-602 may act on behalf of the dealer by whom such a person is employed.

23-112-607. Dealer's license.

(a)(1) Persons wishing to obtain a retail used motor vehicle dealer's license or wholesale used motor vehicle dealer's license shall submit a fully executed application on such retail used motor vehicle dealer's license or wholesale used motor vehicle dealer application forms as may be prescribed by the ~~Department~~ Division of Arkansas State Police.

(2) The application shall be verified by the oath or affirmation of the applicant.

(b)(1) ~~An applicant for a used motor vehicle dealer's license or a~~ A licensee seeking to renew a retail used motor vehicle dealer's license or wholesale used motor vehicle dealer's license shall establish that he or she has sold at least ~~five (5)~~ ten (10) used motor vehicles during the previous calendar year.

(2) A licensee shall possess and present valid and signed copies of certificates of title and bills of sale upon a random audit or yearly renewal inspection by the division.

(c) ~~The department~~ In addition to an application for a retail used motor vehicle dealer's license or a wholesale used motor vehicle dealer's license, the division shall require in relation to the application the following ~~information and verification~~ prior to issuing a retail used motor vehicle dealer's license certificate or wholesale used motor vehicle dealer's license certificate:

(1) A photograph of the business location;

(2) A Proof that the applicant possesses a corporate surety bond in the sum of at least ~~twenty-five thousand dollars (\$25,000)~~ fifty thousand dollars (\$50,000);

(3) Proof of liability insurance coverage on all vehicles to be offered for sale in an amount equal to or greater than the amount required by the Motor Vehicle Safety Responsibility Act, § 27-19-101 et seq.;

(4) A list of the persons or entities having any ownership interest in the used vehicle dealership;

(5) A list of managers or salespersons to be employed;

(6) ~~That~~ Evidence that the applicant has ~~a bona fide an~~ established place of business ~~used primarily for the sale of used motor vehicles that:~~

(A) Includes an enclosed building or structure; and

(B) Is owned, rented, or leased by the applicant and is occupied and used primarily for the sale of used motor vehicles;

(7) ~~That~~ Evidence that the applicant has a telephone number listed in the name of the business in an online directory;

(8) ~~That~~ A photograph demonstrating that the applicant has ~~a an~~ exterior sign that: identifying

(A) Identifies the establishment as a used motor vehicle dealership; and

(B) Is legible from the street, road, or highway, and a picture thereof;

(9) ~~That~~ Evidence that the applicant has an office space dedicated to the business that contains a filing cabinet or other repository adequate to secure the business records of the establishment under lock and key or combination;

(10) ~~Whether~~ A disclosure as to whether the applicant has ever:

(A) been Been issued a retail motor vehicle dealer's license or wholesale motor vehicle dealer's license; and

(B) if the applicant has ever had Had a retail motor vehicle dealer's license or wholesale motor vehicle dealer's license suspended or revoked;

(11)(A) ~~Except as provided in subdivision (c)(11)(B) of this section, an~~ An affidavit from a ~~department~~ division officer or a designee of the ~~department~~ division stating that the officer or a designee of the ~~department~~ division has inspected the facility within ~~thirty (30)~~ sixty (60) days before issuance or renewal of a license and found it to be in compliance with the requirements for application.

~~(B) If a licensee has been continuously licensed at the same facility for ten (10) years or more, then the licensee shall only be required to comply with subdivision (c)(11)(A) of this section one (1) time every other year; and~~ The owner of the facility being inspected under subdivision (c)(11)(A) of this section or the owner's designated power of attorney shall be present for the inspection before the issuance or renewal of a license;

(12) The name, address, and telephone number of the person designated to receive legal process in the event of the commencement of any legal action in any court against the applicant;

(13) A copy of a valid driver's license for each owner, partner, manager, and salesperson listed on the application; and

(14)(A)(i) A criminal record check conducted at the time of issuance or renewal of a license of each owner, partner, manager, and salesperson by the division and the Federal Bureau of Investigation.

(ii) Criminal history records from the Arkansas

Crime Information Center shall be available to the Director of the Division of Arkansas State Police for the review of an applicant.

(B) The state and national criminal background check required under this subdivision (c)(14) shall:

(i) Conform to applicable federal standards; and

(ii) Include the taking of fingerprints.

(C) The applicant shall:

(i) Sign a release of information to the director;
and

(ii) Pay any fee associated with the state and national criminal background check.

(D) Upon completion of the state and national criminal background check required under this subdivision (c)(14), the division shall forward to the director all releasable information obtained concerning the applicant.

(E)(i) The division shall not issue a new license to a person who has been found guilty of a Class Y, Class A, or Class B felony, including a sealed or expunged offense, in any court in the state or a comparable offense in another state or in a military or federal court for which a pardon has not been granted.

(ii) An applicant who has been found guilty of a Class D or Class C felony shall be disqualified for a period of ten (10) years from the date of adjudication.

(F) The director may deny, suspend, or revoke a retail used motor vehicle dealer's license or a wholesale used motor vehicle dealer's license for an arrest or indictment of a felony listed under subdivision (c)(14)(E) of this section.

(G) The division shall promulgate rules to implement and administer this subdivision (c)(14).

(H)(i) A holder of a current and valid retail used motor vehicle dealer's license or wholesale used motor vehicle dealer's license who possesses a license before the effective date of this act is exempt from disqualification under subdivision (c)(14)(E) of this section for a felony conviction before the effective date of this act.

(ii) A holder of a current and valid retail motor vehicle dealer's license or wholesale used motor vehicle dealer's license who

possesses a license before the effective date of this act shall be disqualified for a felony arrest or conviction that occurs after the effective date of this act.

(d)(1)(A) Each applicant shall obtain a corporate surety bond in the penal sum of ~~twenty five thousand dollars (\$25,000)~~ fifty thousand dollars (\$50,000) on a bond form approved by the state.

(B) However, an applicant for a license at multiple locations may provide a corporate surety bond in the penal sum of ~~one hundred thousand dollars (\$100,000)~~ two hundred thousand dollars (\$200,000) covering all licensed locations in lieu of separate bonds for each individual location.

(2) The bond shall be an indemnity for any loss and reasonable attorney's fees sustained by a retail buyer by reason of the acts of the person bonded when such an act constitutes a violation of this law.

(3) However, the surety shall in no event be liable for more than ~~twenty five thousand dollars (\$25,000)~~ fifty thousand dollars (\$50,000).

(4) The bond shall be executed in the name of the State of Arkansas or any aggrieved party.

(5) The proceeds of the bonds shall be paid either to the State of Arkansas or to the retail buyer upon a judgment from an Arkansas court of competent jurisdiction against the principal and in favor of the aggrieved party or the State of Arkansas.

(6) However, the surety shall in no event be required to pay any judgment obtained by fraud or collusion, as between the dealer and the retail buyer, or which was rendered against a person bonded for an act that does not constitute a violation of this subchapter. These defenses may be raised at any time, subject to the applicable statute of limitations.

SECTION 11. Arkansas Code § 23-112-611(a), concerning records that a used motor vehicle dealer must maintain, is amended to read as follows:

(a)(1) Every person required to have a license shall maintain, for three (3) years from the date of purchase, records of each vehicle transaction to which the person was a party.

(2) Records maintained under subdivision (a)(1) of this section shall be maintained at the business location listed on the license of the person required to maintain the records.

SECTION 12. Arkansas Code § 23-112-613 is amended to read as follows:
23-112-613. Delivery prior to sale – Disclosures – Definitions.

(a) As used in this section:

(1)(A) “Contract for sale” means the final agreement between a retail used motor vehicle dealer or wholesale used motor vehicle dealer and a consumer that:

(i) Includes all material terms of the sale of a motor vehicle; and

(ii) Is binding upon the seller, the buyer, and any necessary third-party financier.

(B) “Contract for sale” includes a financing agreement and all material financing terms if the motor vehicle is to be financed; and

(2) “Delivery prior to sale” means a delivery of a motor vehicle by a retail used motor vehicle dealer or wholesale used motor vehicle dealer to a consumer prior to the completion and execution by both parties of a contract for sale.

(b) If a retail used motor vehicle dealer or wholesale used motor vehicle dealer engages in a delivery prior to sale, then the retail used motor vehicle dealer or wholesale used motor vehicle dealer shall provide the consumer with an agreement for delivery prior to sale at the time of delivery of the motor vehicle to the consumer.

(c)(1) The agreement for delivery prior to sale shall be:

(A) Printed in at least 12-point type; and

(B) Signed by the consumer and the retail used motor vehicle dealer or wholesale used motor vehicle dealer or the dealer’s representative.

(2) The agreement for delivery prior to sale shall not be considered a contract for sale.

(d) The agreement for delivery prior to sale shall include all of the following terms:

(1) Unless the consumer is approved for financing and both parties have executed a contract for sale, then the retail used motor vehicle dealer or wholesale used motor vehicle dealer shall not:

(A) Deposit or cash any down payment provided by the consumer; and

(B) Sell any motor vehicle that is presented by the consumer as a trade-in;

(2) The consumer retains the right to cancel the purchase of a motor vehicle if:

(A) The retail used motor vehicle dealer or wholesale used motor vehicle dealer changes any terms; or

(B) The consumer fails to obtain financing that meets the agreed-upon interest rate;

(3) If a consumer who executes an agreement for delivery prior to sale chooses not to execute a contract for sale or otherwise cancels the purchase as provided under this section, then:

(A) The retail used motor vehicle dealer or wholesale used motor vehicle dealer shall not:

(i) Impose any charge or penalty against the consumer; or

(ii) Deposit or cash any down payment provided by the consumer; and

(B) The retail used motor vehicle dealer or wholesale used motor vehicle dealer shall immediately return any motor vehicle that was presented by the consumer as a trade-in; and

(4) If the consumer decides not to purchase the motor vehicle, the consumer shall return the motor vehicle to the retail used motor vehicle dealer or wholesale used motor vehicle dealer within forty-eight (48) hours after the consumer notifies the retail used motor vehicle dealer or wholesale used motor vehicle dealer.

(e) If a consumer fails to return a motor vehicle pursuant to subdivision (d)(4) of this section, then the retail used motor vehicle dealer or wholesale used motor vehicle dealer may recover the vehicle without the necessity of judicial process if the recovery is possible without committing an act of breaking or entering or breach of the peace.

(f) The Division of Arkansas State Police shall promulgate rules to implement, enforce, and administer this section.

SECTION 13. Arkansas Code § 23-112-617(a)-(c), concerning used motor vehicle dealer service and handling fees, are amended to read as follows:

(a) A retail used motor vehicle dealer or wholesale used motor vehicle

dealer may fill in the blanks on standardized forms in connection with the sale or lease of used motor vehicles if the motor vehicle dealer does not charge for the service of filling in the blanks or otherwise charge for preparing documents.

(b)(1) A retail used motor vehicle dealer or wholesale used motor vehicle dealer may charge a service and handling fee in connection with the sale or lease of a used motor vehicle for:

(A) The handling, processing, and storage of documents;
and

(B) Other administrative and clerical services.

(2)(A) The service and handling fee may be charged to allow cost recovery for retail used motor vehicle dealer or wholesale used motor vehicle dealers.

(B) A portion of the service and handling fee may result in profit to the used motor vehicle dealer.

(c)(1)(A) The ~~Department~~ Division of Arkansas State Police shall determine by rule the amount of the service and handling fee that may be charged by a retail used motor vehicle dealer or wholesale used motor vehicle dealer. (B) The service and handling fee shall be no less than zero dollars (\$0.00) and no more than one hundred twenty-nine dollars (\$129).

(2) If a service and handling fee is charged under this section, the service and handling fee shall be:

(A) Charged to all retail customers; and

(B) Disclosed on the retail buyer's order form as a separate itemized charge.

SECTION 14. Arkansas Code § 23-112-617(e), concerning used motor vehicle dealer service and handling fees, is amended to read as follows:

(e) The ~~Department~~ division ~~of Arkansas State Police~~ may promulgate rules to implement, enforce, and administer this section.

SECTION 15. Arkansas Code Title 23, Chapter 112, Subchapter 6, is amended to add additional sections to read as follows:

23-112-618. Used motor vehicle dealer application.

(a) An application for a license under this subchapter shall:

(1) Be in the form prescribed by the Director of the Division of Arkansas State Police; and

(2) Include:

(A) The full name and business address of the applicant;

(B) The name under which the applicant intends to do business; and

(C)(i) Submission of the applicant's fingerprints.

(ii) An out-of-state applicant shall submit two (2) classifiable sets of fingerprints, and an in-state applicant shall submit fingerprints through a harvester or livescan operator located within the state;

(D) A verified statement disclosing any record of arrests, pending criminal charges, or convictions of the applicant of a felony, including a felony that has been sealed or expunged;

(E) For an applicant who is an individual:

(i) Any information required by the director that would show that the applicant is honest, trustworthy, and of good character; and

(ii) The Social Security number of the applicant;

and

(F) For an applicant who is not an individual, the taxpayer identification number of the applicant.

(b)(1)(A) A first-time applicant or an applicant for license or credential renewal shall apply to the Division of Arkansas State Police for a state and national criminal background check to be conducted by the division and the Federal Bureau of Investigation.

(B) Criminal history records from the Arkansas Crime Information Center shall be available to the director for the review of an applicant.

(2) The state and national criminal background check required under this subsection shall:

(A) Conform to applicable federal standards; and

(B) Include the taking of fingerprints as required in subdivision (a)(2)(C) of this section.

(3) The applicant shall:

(A) Sign a release of information to the director; and

(B) Pay any fee associated with the state and national criminal background check.

(4) Upon completion of the state and national criminal background check required under this subsection, the division shall forward to the director all releasable information obtained concerning the applicant.

(c) The burden is on the applicant to provide information that is sufficient to allow the director to determine if the applicant is qualified to hold a license under this subchapter.

23-112-619. Fingerprint cards.

(a) The Identification Bureau of the Division of Arkansas State Police may retain the fingerprints collected for an individual who is fingerprinted under this subchapter.

(b) The Director of the Division of Arkansas State Police may enroll a person issued a license under this subchapter in a program that electronically notifies law enforcement if the person has been arrested.

23-112-620. Retail used motor vehicle dealer.

(a) An applicant for a retail used motor vehicle dealer's license shall provide a certificate of good standing from the Secretary of State to the Division of Arkansas State Police with the application for a retail used motor vehicle dealer's license.

(b)(1) A retail used motor vehicle dealer is limited to four (4) dealerships per business location.

(2) A retail used motor vehicle dealer shall maintain a minimum vehicle inventory of at least five (5) vehicles per dealership at the business location of the retail used motor vehicle dealer.

(3) A retail used motor vehicle dealer shall meet the annual sales requirements under § 23-112-607(b)(2).

23-112-621. Wholesale used motor vehicle dealer.

(a) An applicant for a wholesale used motor vehicle dealer's license shall submit a separate application for a wholesale used motor vehicle dealer's license to the Division of Arkansas State Police.

(b) A wholesale used motor vehicle dealer is not required to maintain inventory at the wholesale used motor vehicle dealer's place of business.

(c) Unless a wholesale used motor vehicle dealer is also a licensed retail used motor vehicle dealer, engaging in retail sales is grounds for the revocation of a wholesale used motor vehicle dealer's license.

23-112-622. Procedure for denial of application for license.

(a) The Director of the Division of Arkansas State Police may deny the issuance of a license under this subchapter.

(b) The director shall notify the applicant in writing of the director's decision to deny the issuance of a license.

(c) An applicant whose application for a license has been denied under this section may appeal the decision to the director by submitting an appeal within ten (10) days of the receipt of the notice of denial issued under subsection (b) of this section.

23-112-623. Used motor vehicle dealer plates – Penalties.

(a) When an applicant for a retail used motor vehicle dealer's license or a wholesale used motor vehicle dealer's license obtains a retail used motor vehicle dealer's license or a wholesale used motor vehicle dealer's license, the Department of Finance and Administration shall issue:

(1) To a licensed retail used motor vehicle dealer:

(A) One (1) master plate;

(B) One (1) transporter plate; and

(C) One (1) extra dealer plate; and

(2) To a licensed wholesale used motor vehicle dealer:

(A) One (1) master plate; and

(B) One (1) transporter plate.

(b) The holder of the retail used motor vehicle dealer's license or wholesale used motor vehicle dealer's license shall be the only person to possess a master plate issued under subsection (a) of this section.

(c) Only one (1) salesperson or manager may possess and use the extra dealer plate.

(d) Misuse of a used motor vehicle dealer plate shall result in the confiscation of the used motor vehicle dealer plate by law enforcement or an inspector assigned to the Division of Arkansas State Police Used Motor Vehicle Division.

(e)(1)(A) A person who violates this section is subject to a civil

penalty of one thousand dollars (\$1,000) for each violation.

(B) A person who violates this section shall surrender the dealer plates issued under subsection (a) of this section to law enforcement.

(2) The division shall assess penalties for a violation of this section by written notice to the violator.

(3) If a civil penalty assessed under this section is not paid within forty-five (45) days of notice of the violation, the wholesale used motor vehicle dealer's license or the retail used motor vehicle dealer's license, or both, of the person who committed the violation shall be suspended.

(4) Upon a third or subsequent violation of this section, the wholesale used motor vehicle dealer's license or the retail used motor vehicle dealer's license, or both, of the person who committed the violation shall be revoked.

(f) A civil penalty assessed under this section shall be remitted to the division and shall be deposited into the State Treasury to the credit of the Division of Arkansas State Police Fund.

23-112-624. Grounds for disciplinary action.

(a) The Director of the Division of Arkansas State Police may suspend or revoke a license or issue a fine in an amount not to exceed one thousand dollars (\$1,000) for each violation of this subchapter.

(b) The director may deny an application or renewal for a license on proof that the applicant or licensee:

(1) Violated this subchapter or violated a rule promulgated under this subchapter;

(2) No longer meets the qualifications for a license under this subchapter; or

(3) Has been arrested for an offense that, if convicted, would result in disqualification for the license under this subchapter.

(c)(1) The director may summarily suspend a license issued under this subchapter for no more than sixty (60) days if it is shown that the health, safety, or welfare of the public is endangered.

(2) If a hearing on a license that has been summarily suspended is adjourned at the request of the licensee, the suspension may be continued for the additional period of the adjournment.

(d) The director may suspend a license of a person who is found guilty of or has pleaded guilty or nolo contendere to a felony or a crime involving an act of violence in this state or a comparable offense in another state or territory of the United States or in any foreign country.

23-112-625. License – Record of denial, revocation, or suspension.

If the Director of the Division of Arkansas State Police denies an application, suspends or revokes a license, or imposes a fine under this subchapter, the director’s decision shall be mailed to the applicant or license holder within sixty (60) days of the director’s decision.

23-112-626. Appeal of denial, suspension, or revocation – Venue.

(a) The denial, suspension, or revocation of a license under this subchapter by the Director of the Division of Arkansas State Police:

- (1) May be appealed to the Pulaski County Circuit Court; and
- (2) Shall be governed by § 25-15-212.

(b) Venue for the appeal to circuit court under this section shall be in Pulaski County, Arkansas.

SECTION 16. TEMPORARY LANGUAGE. DO NOT CODIFY. Currently issued extra dealer plates – Effectiveness.

(a) A currently issued extra dealer plate that is valid and in good standing with the Division of Arkansas State Police and the Department of Finance and Administration shall remain active until the expiration date of the extra dealer plate.

(b) Upon expiration of a currently issued extra dealer plate, the currently issued extra dealer plate shall be returned to the Department of Finance and Administration and shall be no longer valid for use by the used motor vehicle dealer.

SECTION 17. TEMPORARY LANGUAGE. DO NOT CODIFY. Dealer’s license – Rules – Promulgation.

The Division of Arkansas State Police shall promulgate rules for the application and issuance of a retail used motor vehicle dealer’s license or wholesale used motor vehicle dealer’s license within one hundred twenty (120) days of the effective date of this act.